



County of Los Angeles CHIEF EXECUTIVE OFFICE

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SACHI A. HAMAI
Interim Chief Executive Officer

August 25, 2015

Board of Supervisors
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First District

MARK RIDLEY-THOMAS
Second District

SHEILA KUEHL
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

To: Mayor Michael D. Antonovich
Supervisor Hilda L. Solis
Supervisor Mark Ridley-Thomas
Supervisor Sheila Kuehl
Supervisor Don Knabe

From: Sachi A. Hamai
Interim Chief Executive Officer

SACRAMENTO UPDATE - SPECIAL SESSION ON STATE TRANSPORTATION AND INFRASTRUCTURE FINANCING

Executive Summary

This memorandum contains an update on Special Session legislation of County interest, which was considered by the Senate Transportation and Infrastructure Development Committee on August 19, 2015.

Transportation Special Session Bills

SBx1 1 (Beall), which as amended on July 14, 2015, would create the Road Maintenance and Rehabilitation Program to address deferred maintenance on the State highway system and the local street and road system, funded from revenue generated by new and increased fees and taxes and repayment (over a three-year period) of outstanding loans made in previous years from certain transportation funds to the State General Fund, passed the Senate Transportation and Infrastructure Development Committee by a vote of 9 to 2 on August 19, 2015.

According to the analysis prepared by the Senate Transportation and Infrastructure Development Committee, SBx1 1 is projected to generate over \$4.0 billion per year.

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	Rate Increase	Phase In (Years)	Additional Revenue by Year (in millions)				
			Year 1	Year 2	Year 3	Year 4	Year 5
Excise on Gasoline	12¢ / gal.	1	\$ 1,752	\$ 1,752	\$ 1,752	\$ 1,752	\$ 1,752
Road Access Fee	\$35/year	1	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Vehicle Road Fee	\$35/year	1	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Fee on Zero Emission Vehicles	\$100/year	1	\$ 10	\$ 12	\$ 15	\$ 20	\$ 25
Excise on Diesel	22¢ / gal.	1	\$ 572	\$ 572	\$ 572	\$ 572	\$ 572
General Fund Loan Paybacks		3	\$ 330	\$ 330	\$ 340		
Total NEW Revenue			\$ 4,664	\$ 4,666	\$ 4,679	\$ 4,344	\$ 4,349

SBx1 1 now proceeds to the Senate Appropriations Committee.

SBx1 3 (Vidak), which as amended on August 17, 2015, would, upon voter approval, revise the allocation of funding to the Safe, Reliable High-Speed Passenger Train Bond Act for the 21st Century (2008) to: 1) prohibit further bonds from being sold for high-speed rail purposes, except for an existing appropriation for early improvement projects; 2) require the redirection of the unspent bond proceeds for use in retiring State debt incurred from the issuance and sale of those outstanding bonds; and 3) require the net proceeds of bonds subsequently issued and sold under the high-speed rail portion of the bond act to be made available for repair and new construction projects on State highways and local streets and roads, failed to pass the Senate Transportation and Infrastructure Development Committee by a vote of 3 to 9 on August 19, 2015.

SBx1 9 (Moorlach), which as introduced on July 16, 2015, would: 1) prohibit the California Department of Transportation (DOT) from using any nonrecurring funds, including, but not limited to, loan repayments, bond funds, or grant funds, to pay the salaries or benefits of any permanent civil service position within the department; and 2) require the DOT to contract with qualified private entities for architectural and engineering services with respect to public works improvement projects undertaken by the department beginning on July 1, 2016, failed to pass the Senate Transportation and Infrastructure Development Committee by a vote of 3 to 9 on August 19, 2015.

SBx1 12 (Runner), which as introduced on July 16, 2015, would: 1) exclude the California Transportation Commission (CTC) from the California Transportation Agency, establish it as an entity in State government, and require it to act in an independent oversight role; and 2) require the CTC, rather than the DOT, to program the projects contained in the State

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highway operation and protection program, among other provisions, passed the Senate Transportation and Infrastructure Development Committee by a vote of 12 to 0 on August 19, 2015. This measure now proceeds to the Senate Appropriations Committee.

SBx1 13 (Vidak), which as introduced on July 16, 2015, would: 1) create the Office of the Transportation Inspector General as an independent office to ensure that all State agencies expending State transportation funds operate efficiently, effectively, and in compliance with Federal and State laws; 2) authorize the Governor to appoint the Transportation Inspector General for a 6-year term, subject to confirmation by the Senate, among other provisions, passed the Senate Transportation and Infrastructure Development Committee by a vote of 12 to 0 on August 19, 2015. This measure now proceeds to the Senate Appropriations Committee.

We will continue to keep you apprised.

SAH:JJ:MR
VO:AO:gl

c: All Department Heads
Legislative Strategist